POL 33-4 CHICOM-CHINAT

INCOMING TELEGRAM *Department of State*

SECRET

NNNNVV MJB227JDA484
RR RUEHC
DE RUMJDH 2905 2971050
ZNY SSSSS
R 240936Z OCT 66
FM AMCONSUL HONG KONG
TO RUEHC/SECSTATE WASHDC
INFO RUASTP/AMEMBASSY TAIPEI
STATE GRNC
BT
S E C R E T HONG KONG 2905

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HONG KONG 2905 10-24-66

L I M D I S

SUBJECT: GRC-CHICOM NAVAL CLASH

REF: STATE 70990

1. AS NOTED REFTEL, CHICOM MEDIA HAVE SO FAR FAILED TO RECORD CLASH WITH GRC NAVAL CRAFT OFF MATSU OCTOBER 15. THIS FAILURE SOMEWHAT SURPRISING IN VIEW PAST CHICOM PRACTICE OF PUBLICIZING COUNTERMEASURES TO REPEL GRC "INCURSION ATTEMPTS". PEKING'S SILENCE EVEN MORE NOTABLE IN LIGHT INFORMATION PASSED CONGEN NAVAL LIAISON OFFICER BY NAVAL ATTACHE TAIPEI LAST FRIDAY THAT HE HAD BEEN TOLD TWO GRC BOATS HAD BEEN SUNK IN ENCOUNTER. PEKING WAS QUICK TO CLAIM MAJOR "VICTORY" IN ENCOUNTER UNDER SIMILAR CIRCUMSTANCE UNLAST YEAR.

PAGE TWO RUMJDH 2905 S E C R E T
2. WE CAN ONLY SPECULATE THAT MAINLAND REGIME WISHES AVOID ANY MENTION IN PUBLIC MEDIA OF INCIDENTS WHICH MIGHT BE CONSTRUED BY POPULACE AS POSSIBLE PRELUDE TO GRC INVASION ATTEMPT AT TIME OF INTERNAL STRESS AND POSSIBLE WEAKNESS PRODUCED BY CULTURAL REVOLUTION. REGIME CONCERN OVER PUBLIC OPINION WAS REFLECTED IN CAS REPORT (FSCH-6900) OF POLICE INTERROGATIONS IN CANTON IN SEPTEMBER DESIGNED TO TRACK DOWN RUMORS PREVALENT IN CANTON OF GRC LANDINGS IN KWANGTUNG PROVINCE. EXTENT TO WHICH CHICOM LEADERSHIP ITSELF FEELS INVASION THREAT HAS INCREASED (AS OPPOSED TO RUMORS AMONG POPULACE) IMPOSSIBLE TO ASSESS, BUT WE NOTE THAT NCNA ITEMS OCTOBER 22 AND 23 ON HARD LOT OF TAIWAN "COMPATRIOTS" AND U.S. ECONOMIC EXPLOITATION OF TAIWAN DO NOT DIFFER FROM ROUTING, SPORADIC ATTENTION NORMALLY ACCORDED TAIWAN IN MAINLAND PRESS, ESPECIALLY IN PERIOD AROUND OCT 10. CONCEIVABLY, THESE ITEMS

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DESIGNED SIGNAL THAT CHICOM ATTITUDE REGARDING GRC
REMAINS UNCHANGED. SEVERAL TIMES IN RECENT YEARS GRC
HAS ATTEMPTED INCURSION IN OCTOBER IN WEEKS IMMEDIATELY

PAGE THREE RUMJDH 2905 S E C R E T
PRECEDING CHIANG'S BIRTHDAY ON OCTOBER 31. PEKING
PROBABLY AWARE OF POSSIBLE "BIRTHDAY PRESENT" ASPECTS
THESE AFFAIRS AND THUS MAY VIEW OCTOBER 15 INCIDENT IN
THIS LIGHT.

GP-3.

RICE